



State of Tennessee Department of Children's Services

Administrative Policies and Procedures: 1.5

Subject: Internal Audits

Supersedes: DCS 1.5, 04/01/98

Local Policy: No

Local Procedures: No

Training Required: No

Approved by:

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Application

To All Department of Children's Services Employees.

Authority: TCA 37-5-106; American Correctional Association Standards

Policy

The division of internal audit shall monitor the Department of Children's Services programs, contracts with vendors, and fiscal operations for adequate internal controls and compliance with state laws, federal regulations, and the department's policies and procedures. Youth Development Centers and Community Residential Facilities shall be monitored at a minimum of every three years. The division will report to the commissioner and deputy commissioner areas of non-compliance and inadequate internal controls so that the operations of the department can continually be improved.

Procedures

A. Responsibility of director of audits

The director of internal audit shall submit a list of audit dates to the, deputy commissioner, and commissioner by June 1 for the following state fiscal year.

B. Team members

1. The audit/review teams will consist of knowledgeable, trained staff members. No team member may have a known conflict of interest with the auditee. Any staff member who will be a member of the review team for a community residential or institution audit must notify their manager as soon as possible if a conflict occurs in the scheduled dates. Their manager will locate a replacement as soon as possible.

2. All auditors must obtain continuing education to maintain professional proficiency as required by Governmental Auditing Standards. A record of this continuing training will be maintained in the division of internal audit.

C. In-charge/team leader

1. Members of the audit/review team are responsible for making their own hotel reservations after being notified by the in-charge/team leader of the chosen hotel location. The in-charge/team leader is to be informed by each team member when their reservations have been made and a confirmation number provided when applicable. The confirmation number will be used to provide a room if any team member has to be replaced.
2. The in-charge/team leader is responsible for:
 - ◆ Coordinating transportation to the audit/review site,
 - ◆ Making sure all pertinent audit/review materials are transported to the site,
 - ◆ Conducting the entrance/exit conference(s) and determining who will attend,
 - ◆ Insuring that all data has been gathered prior to exiting the field site,
 - ◆ Preparation of the audit/review report for submittal to the director of internal audit for review,
 - ◆ Supervising or making any changes determined to be needed,
 - ◆ Submittal of the final report to the director of internal audit and all other determined personnel.

D. Audit programs/instruments

1. Audit programs/reviews will be developed or reviewed by the director of internal audit prior to use.
2. Audit techniques will be developed according to guidelines provided by the division of internal audit and must include but are not limited to:
 - ◆ Objective criteria for measuring compliance;
 - ◆ Areas audited/reviewed must be covered by the American Correctional Association standards, departmental policy or other authority, (i.e., Department of Personnel, Tennessee Correctional Association, Federal Regulations, or Finance & Administration

Guidelines);

- ◆ For audits compliance or non-compliance issues will be calculated with the error rate determined based on the sample size and the number of non-compliance instances;
- ◆ Investigations will be determined as necessary after consultation between the director of internal audit, the deputy commissioner, and/or the commissioner;
- ◆ Results will be reported in written form to the deputy commissioner, commissioner, assistant commissioner applicable and other determined parties.

E. Audit/review report

1. The division of internal audit will ensure that all comments and data are compiled and a cover report is completed as soon as possible.
2. Any delays resulting from the inability of audit staff to obtain necessary information from field facilities or central office personnel for the completion of the report will be reported to the director of internal audit as soon as the problem is recognized. The director will advise the commissioner of the circumstances resulting in the delay.
3. The original report packet will be forwarded to the commissioner pending the facility/region's response.
4. Copies of the report will be sent to the facility/program/region, the appropriate central office director, and the appropriate assistant commissioner.
5. Upon receipt of the report, the supervisor of the inspected program/facility/region will have thirty days to respond.
6. The original response must be sent through the deputy commissioner to the commissioner. The original report must be attached to the original response and forwarded to the commissioner by the deputy commissioner. After review of the report and response, the commissioner will forward the originals to the division of internal audit for filing.

F. Follow-up audit/review

The commissioner may request a follow-up audit/review to be conducted at any facility/program/region if the annual audit/review revealed serious or numerous areas of concern.

G. Investigations

1. An investigation may be requested by any assistant

commissioner in written form for any situation that is brought to their attention through their staff or other means.

2. This request must be submitted to the director of internal audit for review and must contain all pertinent information to date.
3. If after the initial review the director of internal audit determines that an investigation appears to be warranted, the commissioner will be informed of the situation and the current course of action to be taken by the internal audit division.

Forms

None.

Collateral Documents

None

Standards

3-JTS-1A-23

3-JTS-1B-12

3-JCRF-1B-10

3-JCRF-1A-15